

**To the Mayor and Members of the City Council****December 8, 2015**

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**SUBJECT: AMENDMENT TO ECONOMIC DEVELOPMENT PROGRAM  
AGREEMENT WITH GE MANUFACTURING SOLUTIONS, LLC**

On February 19, 2013, the City Council approved an Economic Development Program Agreement (Agreement) with GE Manufacturing Solutions, LLC, an affiliate of GE Transportation (GE) for the completion of a locomotive manufacturing facility located at 16201 Three Wide Drive and a mining equipment manufacturing facility located at 16202 Three Wide Drive (M&C G-17815). The Agreement with GE (City Secretary Contract No. 44816) provides for ten annual economic development grant payments equal to 55 percent of the City's taxes on the incremental values (since January 1, 2012) of the real and business personal property investment on the sites of GE's new locomotive and mining manufacturing facilities. The Agreement provides that if in any year during the term of the Agreement, GE exceeds certain employment requirements, GE may be able to receive increased grant payments that would equal up to 85 percent of the City's taxes on the incremental values of the real and business personal property.

GE has requested an amendment to the Agreement to extend the term by five years and to revise the employment commitment in order to facilitate an additional investment of \$13,575,000 for improvements at the locomotive facility and to provide additional incentive to allow them to undertake and complete the construction of the rail test track. Completion of the test track will be required in order for the proposed amendment to take effect.

The original Agreement states that if GE reaches employment thresholds of 600 and 875 full-time jobs and also meets commitments pertaining to the utilization of Fort Worth and Fort Worth Central City residents for those jobs during the term of the Agreement, then GE will be eligible for bonus grant payments of, respectively, a maximum aggregate of 70 percent of incremental taxes and a maximum of 85 percent of incremental taxes. Under the terms of the existing Agreement, GE must meet all three employment commitments (base number of employees, Fort Worth residents and Central City residents) in order to receive bonus grant payments.

Under the proposed Amendment, GE would be eligible to receive bonus grant payments based solely on meeting the minimum number of additional overall jobs. Per proposed Amendment No. 1, GE will no longer be required to meet the remaining two employment commitments (Fort Worth residents and Central City residents) to be eligible to receive the bonus grant payments. However, the Fort Worth and Central City Commitments will remain in place for purposes of calculation of the eligible annual grant amount to be received.

All other terms and conditions outlined in the Agreement will remain the same and Staff recommends approval of the proposed amendment that will be placed on the City Council meeting agenda for December 15, 2015.

**David Cooke**  
**City Manager**